

## REMARKS

Claims 1-33 are pending in this application. Claims 1, 12, 23 and 33 are amended.

Claim 33 is amended to correct a typographical error, and now depends from claim 32.

Claims 1, 2, 4, 6-13, 15, 17-24, 26, 28-33 are rejected under 35 U.S.C. § 102(e) as being anticipated by U.S. Patent Application No. US 2002/0077130 A1 to Owensby (“Owensby”).

Claims 3, 5, 14, 16, 25 and 27 are rejected under 35 U.S.C. § 103(a) as being unpatentable over Owensby in view of U.S. Patent No. 6,411,891 to Jones (“Jones”).

The Board of Patent Appeals and Interferences affirmed the rejections in a decision mailed May 4, 2006. The Board held that “Owensby, when dealing with subscribers who are willing to accept ads before and/or during a call will determine whether the location of the cell phone (MU) is inside or outside a predetermined subsidized zone” (Decision, p. 14).

The Board additionally found that “If within a zone or calling area where ads (and subsidy) are available, the subscriber will receive the ads and subsidy, the amount of which is determined by the ads available and whether the subscriber will accept ads during a call in addition to before a call . . . If the subscriber’s cell phone is in a location where a subsidy is available, the call is billed at a predetermined billing rate” (*Id.*).

Further, “If outside an area where ads (and subsidy) are available, the subscriber will not receive ads (or a subsidy) for the call. . . . If the subscriber’s cell phone is in a location where no subsidy is available, the subscriber is billed at a second predetermined (non-subsidized) billing rate” (*Id.*).

Claim 1 as amended recites:

A method for determining a billing rate of a mobile telecommunications connection associated with a mobile telecommunications unit (MU), comprising the steps of:

- determining whether a location of the MU is inside or outside a predetermined subsidized zone;
- responsive solely to a determination that the location of the MU is inside the predetermined subsidized zone, adjusting the billing rate for the telecommunications connection to a first predetermined billing rate;
- and
- responsive solely to a determination that the MU is outside the predetermined subsidized zone, adjusting the billing rate for the telecommunications connection to a second predetermined billing rate.

As amended, claim 1 recites that the billing rate is set to the first predetermined billing rate responsive solely to a determination that the MU is inside the subsidized zone. Thus, even as Owensby is characterized by the Board, the claim does not read on Owensby. Following the Board's reasoning, Owensby recites offering a subsidy to a cell phone user if two conditions are met—first, the location of the cell phone must be within a subsidized area, i.e. an area where ads are offered. Second, the user must agree to accept advertisements. In contrast, claim 1 conditions the use of the first billing rate “responsive solely” to the MU's location inside the subsidized zone, irrespective of any agreement to receive advertisements or perform any other steps.

The Board noted that they were “cognizant of the differences between the disclosed inventions of appellants and Owensby. However, these differences are not found in appellants' claim 1. In prosecution before the examiner, there is no reason why appellants cannot amend the claims to distinguish over the teachings of Owensby” (Decision, p. 16). Applicants have herein made such an amendment, and the Examiner is requested to now withdraw the rejection over Owensby.

Dependent claims 2-11 depend from patentable independent claim 1, and thus derive their patentability from the patentability of claim 1, in addition to reciting their own patentable features. Independent claims 12 and 23 as amended are patentable over Owensby for reasons analogous to claim 1. Dependent claims 13-22 and 24-33 depend from independent claims 12 and 23, respectively, and derive their patentability from the patentability of claims 12 and 23, in addition to reciting their own patentable features.

Entry of the presented amendments and allowance of all claims now pending, claims 1-33, are solicited. The Examiner is invited to contact the Attorney for Applicants at the telephone number below if any matters remain outstanding prior to allowance.

Respectfully submitted,

HIROHISA A. TANAKA *et al.*

Dated: July 5, 2006

By: /Daniel R. Brownstone 46,581/

Daniel R. Brownstone, Reg. No. 46,581

Fenwick & West LLP

Silicon Valley Center

801 California Street

Mountain View, CA 94041

Tel.: (415) 875-2358

Fax: (415) 281-1350